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costly areas than those that serve populations that suffer from less severe physical and economic challenges.

(c) *Program evaluation and performance measures.* Reviewers may award more points to performance measures that are relevant to the project objective and quantifiable than to performance measures that are more subjective and do not incorporate variables that reflect a reduction in fuel cost or improvement in service.

(d) *Demonstrated experience.* Applicants may be awarded points for relevant experience in administering revolving fund or other comparable programs.

(e) *Rurality.* Reviewers may award more points to proposals that give priority in access to funds to communities with low population density or that are located in remote eligible areas than to proposals that serve eligible, but less remote and higher population density communities.

(f) *Cost sharing.* Although cost-sharing is not required under this program, projects that evidence significant funding or contributed property, equipment or other in kind support for the project may be awarded points for this criterion where the aggregate value of these contributions exceed 25 percent of the annual funding operations.

(g) *Additional priority considerations.* The grant announcement may provide for additional points to be awarded to projects that advance identified Agency priority interests under this program.

**§ 1709.217 Grant award.**

(a) *Notification of applicants.* The Agency will notify all applicants in writing whether or not they have been selected for a grant award.

(b) *Letter of conditions.* The Agency will notify a selected applicant in writing, setting out the amount of grant approved and the conditions under which the grant will be made.

(c) *Applicant's intent to meet conditions.* Upon reviewing the conditions and requirements in the letter of conditions, the selected applicant must complete, sign and return the Agency's "Letter of Intent to Meet Conditions," or, if certain conditions cannot be met, the applicant may propose alternate

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conditions to the Agency. The Agency must concur with any changes proposed to the letter of conditions by the applicant before the application will be further processed.

(d) *Grant agreement.* The Agency and the grantee must execute a grant agreement acceptable to the Agency prior to the advance of funds.

**§§ 1709.218–1709.300 [Reserved]**

**Subparts D–F [Reserved]**

**Subpart G—Recovery of Financial Assistance Used for Unauthorized Purposes**

**§ 1709.601 Policy.**

This subpart prescribes the policies of the Rural Utilities Service (RUS) when it is subsequently determined that the recipient of an Assistance to High Energy Cost Rural Communities program loan or grant was not eligible for all or part of the financial assistance received or that the assistance received was used for unauthorized purposes. It is the policy of the Agency that when assistance under this part has been received by an ineligible recipient or used for unauthorized purposes the Agency shall initiate appropriate actions to recover from the recipient the sum that is determined to be ineligible or used for unauthorized purposes, regardless of amount, unless any applicable statute of limitation has expired. The Agency shall make full use of available authority and procedures, including but not limited to those available under 7 CFR part 3015, subpart N.

**§§ 1709.602–1709.999 [Reserved]**

**PART 1710—GENERAL AND PRE-LOAN POLICIES AND PROCEDURES COMMON TO ELECTRIC LOANS AND GUARANTEES**

**Subpart A—General**

**Sec.**

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- 1710.2 Definitions and rules of construction.
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- 1710.6 Applicability of certain provisions to completed loan applications.  
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- 1710.400 Initial contact.  
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1710.402–1710.403 [Reserved]  
1710.404 Additional requirements.  
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1710.407 Loan documents.

AUTHORITY: 7 U.S.C. 901 *et seq.*, 1921 *et seq.*, 6941 *et seq.*

SOURCE: 57 FR 1053, Jan. 9, 1992, unless otherwise noted.

## Subpart A—General

### § 1710.1 General statement.

(a) This part establishes general and pre-loan policies and requirements that apply to both insured and guaranteed loans to finance the construction and improvement of electric facilities in rural areas, including generation, transmission, and distribution facilities.

(b) Additional pre-loan policies, procedures, and requirements that apply specifically to guaranteed and/or insured loans are set forth elsewhere:

(1) For guaranteed loans in 7 CFR part 1712 and RUS Bulletins 20–22, 60–10, 86–3, 105–5, and 111–3, or the successors to these bulletins; and

(2) For insured loans in 7 CFR part 1714 and in RUS Bulletins 60–10, 86–3, 105–5, and 111–3, or the successors to these bulletins.

(c) This part supersedes those portions of the following RUS Bulletins and supplements that are in conflict.

20–5 Extensions of Payments of Principal and Interest  
 20–20 Deferment of Principal Repayments for Investment in Supplemental Lending Institutions  
 20–22 Guarantee of Loans for Bulk Power Supply Facilities  
 20–23 Section 12 Extensions for Energy Resources Conservation Loans  
 60–10 Construction Work Plans, Electric Distribution Systems  
 86–3 Headquarters Facilities for Electric Borrowers  
 105–5 Financial Forecast-Electric Distribution Systems  
 111–3 Power Supply Surveys  
 120–1 Development, Approval, and Use of Power Requirements Studies

(d) When parts 1710, 1712, and 1714 are published in final form, the bulletins cited in paragraph (b) of this section will be rescinded, in whole or in part, or revised.

[57 FR 1053, Jan. 9, 1992, as amended at 58 FR 66262, Dec. 20, 1993]

### § 1710.2 Definitions and rules of construction.

(a) *Definitions.* For the purpose of this part, the following terms shall have the following meanings:

*Administrator* means the Administrator of RUS or his or her designee.

*Approved load forecast* means a load forecast that RUS has determined is current for RUS purposes and has been approved by RUS pursuant to 7 CFR part 1710, subpart E.

*Approved load forecast work plan* means a load forecast work plan that RUS has determined is current for RUS' purposes and has been approved pursuant to 7 CFR part 1710, subpart E.

*APRR* means Average Adjusted Plant Revenue Ratio calculated as a simple average of the adjusted plant revenue ratios for 1978, 1979 and 1980 as follows:

$$APRR = \frac{A + B}{C - D}$$

where:

A=Distribution (plant), which equals Part E, Line 14(e) of RUS Form 7;

B=General Plant, which equals Part E, Line 24(e) of RUS Form 7;

C=Operating Revenue and Patronage Capital, which equals Part A, Line 1 of RUS Form 7; and

D=Cost of Power, which equals the sum of Part A, Lines 2, 3, and 4 of RUS Form 7.

*Area Coverage* means the provision of adequate electric service to the widest practical number of rural users in the borrower's service area during the life of the loan.

*Borrower* means any organization that has an outstanding loan made or guaranteed by RUS for rural electrification, or that is seeking such financing.

*Bulk Transmission Facilities* means the transmission facilities connecting power supply facilities to the subtransmission facilities, including both the high and low voltage sides of the transformer used to connect to the subtransmission facilities, as well as related supervisory control and data acquisition systems.

*Call provision* has the same meaning as "prepayment option".

*Consolidation* means the combination of 2 or more borrower or nonborrower organizations, pursuant to state law, into a new successor organization that takes over the assets and assumes the liabilities of those organizations.

*Consumer* means a retail customer of electricity, as reported on RUS Form 7, Part R, Lines 1–7.